

Reserves Policy

A description of the reserves maintained by Ringwood Town Council and how they will be managed

General principles guiding the management of reserves:

1. Annual budgets should make adequate provision for expected recurrent expenditure without recourse to reserves.
2. Significant expenditure of a non-recurrent or capital nature (whether planned or unplanned) should be met from either a suitable ear-marked provision that has been built up over time or a loan repayable over time, in order to spread the cost over an appropriate number of financial years, thus avoiding either unfair calls upon local council tax-payers in any one year or excessive fluctuations in the precept.
3. Receipts of a capital nature and/or for specific or restricted purposes should be treated in a manner that fully respects the Nolan principles of accountability and openness.
4. This document should be **consulted**
 - Before funds are transferred from or added to any reserve;
 - When an Annual Financial Risk Assessment is undertaken;
 - When an Annual Governance Statement and Accounting Statements are considered; and
 - When a Budget is being considered and before a Precept is agreed.
5. This document should be **reviewed**
 - Before an existing reserve is re-named, re-purposed, reduced to nil, closed or merged with another reserve;
 - Before a new reserve is created;
 - When a significant change in the financial risks facing the Council occurs; or
 - When a significant change in the Council's assets or plans occurs.

Schedule of reserves

Title	Proposed annual contribution	Balance 1/4/25	Purpose(s)/Function(s)	Management
Ear-marked provisions and reserves				
I.T. & Systems Provision	£2,700	£28,300	To meet the cost of completely replacing/updating the computers, telephones and related equipment when obsolete or at the end of life.	We have assigned approx. £18,000 so far to this budget this year with some more costs to come. Suggest maintain annual contributions in order to support new IT for remote meetings/councillor equipment/forward plan for next replacement.
Gateway Building Provision	£0	£25,000	To meet expected future demands for contributions towards the costs of major repairs or capital works to The Gateway council offices building. Original contribution to building costs was £300,000. Our contribution to major repairs or capital works is not expected to exceed £25,000	We will maintain the Gateway Fund at £25,000. Further contributions to this fund have been suspended.
Cemetery provision	£1,000	£27,032	To meet expected future capital costs of either extending or improving the cemetery owned and managed by the Council or of maintenance works to memorials there or to the closed churchyard for which the Council is liable. The Council is expected to provide further cemetery capacity once the existing cemetery is full.	Proposed that this fund is expected to be applied towards developing cemetery facilities, including memorial opportunities and the design of new areas for interment, scattering of cremated remains, and a garden of remembrance. Thereafter contributions of £1,000pa to build and maintain reserve of £10,000
Elections provision	£5,000	£5000	To meet expected future demands for contributions towards the costs of elections to membership of the council (both predictable and non-predictable) (not currently expected to exceed £20,000)	Annual contributions of £5,000 from FY 2024-25 to achieve a target balance of £20,000 in an election year

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Vehicle & Machinery Fund	£27,000 in 26/27	£51,546	To meet the cost (currently estimated at £240,000 in total) of replacing each vehicle or large item of machinery used by the Council's Grounds Maintenance Staff every 10 years.	Council has approved a 10 year forward plan with varying levels of annual reserves to be contributed
Play Equipment Fund	£6,900	£22,515.93	To meet the cost of replacing/updating or conducting major repairs to children's play equipment on the various sites owned or managed by the Council according to a cyclical programme of prioritised works commissioned every 3 years (currently estimated at £40,000 per cycle)	We plan to make annual contributions of £6,900 to achieve a total of £40,000 by FY 2027/28.
Carvers Clubhouse Equipment Fund (Carvers Clubhouse Provision)	£1,000	£3022.49	To meet the capital costs of any equipment purchases, replacements or enhancements.	Annual contribution of £1,000
Ringwood Events Fund		£18,152.12	<ol style="list-style-type: none"> 1. To act as a contingency fund against possible losses incurred by the Council in organizing public events in Ringwood. 2. To provide a fund for the awarding of grants to other organisations to cover costs of putting on events in Ringwood. 3. <i>To provide additional funds for grants?</i> 	<p>Surpluses generated by events will be transferred into this fund. Deficits incurred by events will be met from this fund.</p> <p>Grants or donations from other organisations into this fund will be accepted.</p>
Buildings Reserve (Buildings Repair Provision)	£5,500	£51,533.97	To act as a sinking fund to cover costs of major building repairs (for which the Council is liable) at Greenways, Carvers Clubhouse or 92 Southampton Road (not currently expected to exceed £75,000)	We will transfer £5,500 each year into this fund to achieve a total of £75,000 by FY 2030-31, at which point contributions will be reconsidered and possibly suspended until funds are applied.

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Carvers Recreation Ground Fund (Carvers Grounds Dev Provision)		£175.20	To Develop a masterplan for the entire site	We plan to draw these funds in 2023-24 and 2024-25 for the development of the strategic plan. Contributions in later years will be assessed in light of development plans yet to be agreed.
Carvers Sheds Feasibility		£0	To fund the “feasibility study” for redeveloping the sheds as a hub for the grounds team	As above.
Infrastructure & Open Spaces Fund	£3,000	£15,370	To meet the costs of: <ul style="list-style-type: none"> • replacement of or major repairs to infrastructure (benches, bus-shelters boardwalks, notice-boards, etc.); or • major tree works or other environmental works or enhancements not covered by annual budgets. 	We will transfer £3,000 unless and until the fund total reaches £24,000 at which point contributions will be reconsidered and possibly suspended until funds are applied.
Neighbourhood Plan		£3,383	This fund was created to preserve an unspent balance on the revenue account, for which the planned spend will occur in subsequent years.	<i>This fund is expected to be fully applied by FY2024-25</i>
Open Space Security Measures		£1,406	This fund was created during 2023/24 with a transfer of £1,500 from the general fund.	This is a fund available to urgently protect sites and prevent unauthorised encampments
Christmas Lights Provision		£10,282.50		<i>Was not in last policy – new?</i>
Football development Project		£0	This fund was created during 2022/23 to hold grants, developer’s contributions and other funds held on behalf of the football development project at Long Lane	This fund will be fully exhausted by the football development project, expected to complete in 2025-26
Budget Underspends for use in 2024/25		£3000	This reserve was created to allow a limited number of specific budget underspends to be available for use in the following year.	

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Capital reserves				
Developer Contributions (s106)		£13,805	Contributions received towards the cost of facilities and infrastructure pursuant to planning obligations entered into under section 106 Town & County Planning Act 1990. A further contribution of £10,000 was received in 2023/24 in respect of Crow Stream flood prevention	Officers will bring forward proposals for making use of these funds when suitable opportunities become apparent.
Cemetery Maintenance		£270	A commuted sum received by way of contribution to the costs of maintaining burial grounds in the town.	A sum of £230 will be drawn down each year by way of such contribution until it is exhausted (in or about 2026-27)
Community Infrastructure Levy		£31,489	The Town Council's share of CIL receipts collected by NFDC and remitted half-yearly.	Councillors will make proposals for use of these funds for decision by the Council (or a committee under relevant delegated powers).
Capital Receipts		£18,942	Proceeds from past sales of Council-owned assets (currently standing at £18,942). It is proposed that the balance of this reserve be transferred to the vehicle replacement fund	Officers will bring forward proposals for making use of these funds by purchase of suitable assets when appropriate needs become apparent.
Grants Unapplied		£78,339	Unused balances from grants received	Miscellaneous grants held in this fund until applied to defray expenditure.
Loans Unapplied		£0	A temporary holding fund for loans received but not used	If and when loan monies are received in future they will be transferred into this fund to the extent that they have not been spent for the required purpose at the relevant FY end and transferred out when they are so spent.

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General reserve				
General reserve		£236,926	<ol style="list-style-type: none"> 1. Default recipient of funds under-spent from annual budgets. 2. Default source of funds for over-spends on annual budgets. 3. Provision against all risks and contingencies not covered by an ear-marked or capital reserve. 	When agreeing annual budgets and setting precepts or when adjusting reserve balances in year we will aim to ensure that the expected balance of the general reserve at the financial year end will be roughly equivalent to 50% of the precept set for that year.
Other Balance Sheet Reserves				
Rent and allotments deposits		£19,569	This reserve is a device to account for rent, ground condition and key deposits held on behalf of tenants and other key holders. The funds are not available to the Council as they represent a deferred liability.	Any deposits received or repaid during the year will be transferred to or from this reserve.

Adopted: xx 2025